

Lake County Economic Forecast

Lake County's economy is based largely on tourism and recreation. Clear Lake, the county's main attraction, has over 100 miles of shoreline, and is a popular destination for water-sports enthusiasts.

In January 2003, Lake County's population was 61,300. The two cities in the county are Clearlake, population 13,550, and Lakeport, population 5,000 in 2003. By the year 2010, population of Lake County is projected to grow to 68,578, an increase of 12 percent.

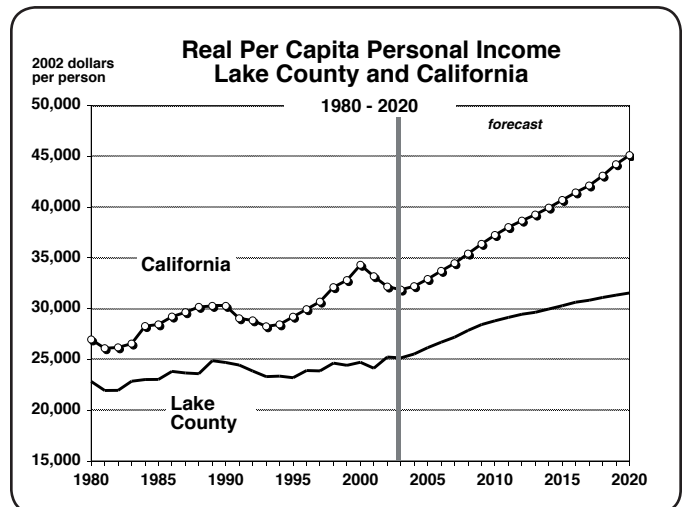
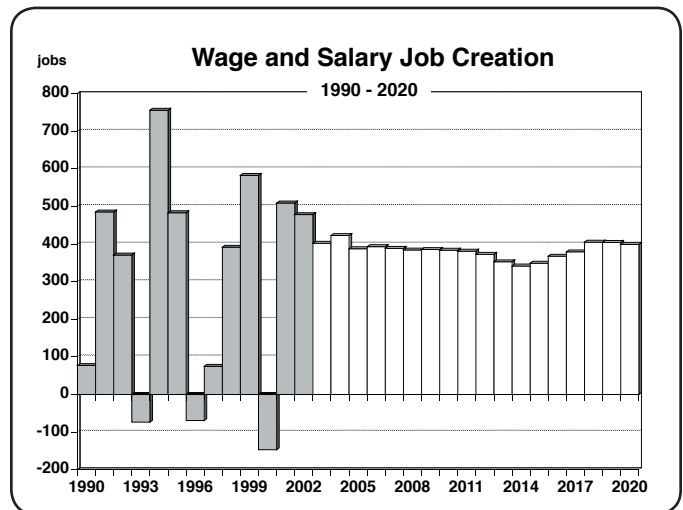
The county's annual average unemployment rate was 8.4 percent in 2002. Typically, in counties such as Lake where recreation and tourism are significant factors in the economy, there is substantial seasonal employment, and as a result, higher annual unemployment rates.

Government, services, and retail trade dominate Lake County's current economic base. Government and services each comprise 27 percent of total employment; and the trade sector provides 22 percent of the total. Agriculture, which contributes 6.5 percent of all employment, is an important industry as well. The county's rich soil makes it an ideal area for crop production, primarily pears, wine grapes, and walnuts. In recent years, many orchards have been cultivated for the production of wine grapes.

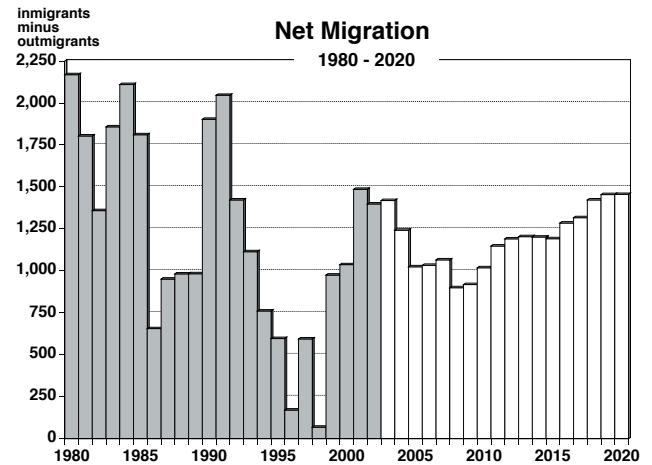
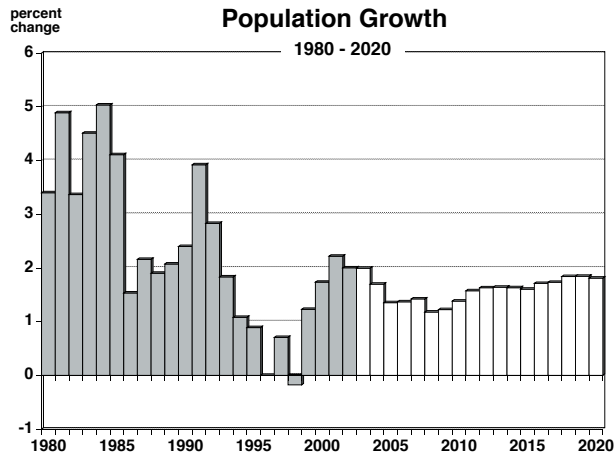
Employment in the services industry is projected to grow at the rapid pace of 3.6 percent per year between 2003 and 2008. Within the services industry, most of the new jobs will be in social services, amusement and recreation, and business services. The public sector will add nearly 800 jobs over the next 5 years, principally in education.

Forecast Highlights

- A non-farm job growth rate of 2.7 percent is forecast for Lake County between 2003 and 2008. The services and the public sector will account for 78 percent of the total wage and salary job growth.
- Inflation-adjusted per capita income rises an average of 2.1 percent per year over the next 5 years. In 2002, personal income averaged just under \$25,240 per person.
- The number of residential unit permits forecast for the 2003 to 2008 period averages 261 per year, a substantial increase over the 173 units authorized per year between 1997 and 2002 in Lake County.



- Population growth is forecast to remain in the same range over the next 5 years, as it had been growing over the previous five. A greater number of births (due to a rising population in the fertile age cohorts) offsets the decline in net migration. Net migration slows because job growth slows.
- The median home selling price in Lake County was \$261,250. Between 1997 and 2002, the rate of price appreciation averaged 9 percent, adjusted for inflation. That rate is forecast to slow to an average of 4 percent per year between 2003 and 2008.



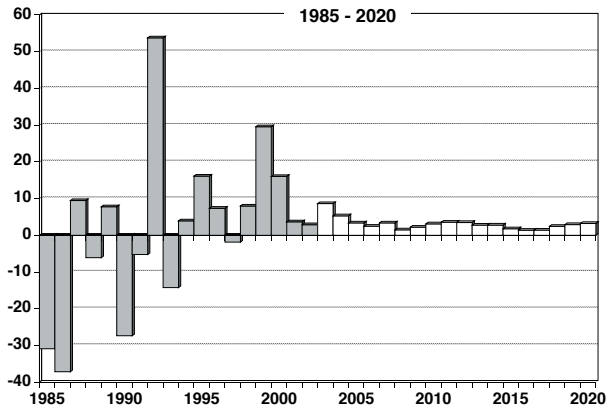
Lake County Economic Forecast

1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (millions)	Personal Income (millions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (millions)
1995	56,600	597	67.1	22.7	172	\$222.2	\$1,031.2	\$23,199	\$27.2	\$269.2
1996	56,600	171	68.0	22.8	103	\$229.7	\$1,087.4	\$23,911	\$48.4	\$289.0
1997	57,000	595	63.9	22.9	168	\$234.8	\$1,131.2	\$23,881	\$49.2	\$283.6
1998	56,900	69	66.1	23.0	84	\$247.3	\$1,202.3	\$24,641	\$41.6	\$306.2
1999	57,600	975	68.0	23.0	165	\$270.3	\$1,257.7	\$24,431	\$49.2	\$396.7
2000	58,600	1,037	72.1	23.9	187	\$291.9	\$1,352.8	\$24,725	\$53.6	\$460.3
2001	59,900	1,486	76.7	24.1	118	\$322.6	\$1,422.6	\$24,138	\$57.7	\$477.1
2002	61,100	1,399	78.7	24.1	313	\$319.7	\$1,542.0	\$25,238	\$59.0	\$490.9
2003	62,319	1,419	80.6	24.4	307	\$337.8	\$1,607.3	\$25,158	\$61.9	\$533.2
2004	63,378	1,242	81.5	24.7	272	\$359.0	\$1,705.4	\$25,535	\$65.9	\$561.4
2005	64,236	1,024	82.5	24.9	251	\$385.0	\$1,820.1	\$26,162	\$69.0	\$580.4
2006	65,116	1,033	83.5	25.1	253	\$413.7	\$1,934.7	\$26,701	\$72.1	\$594.6
2007	66,043	1,066	84.5	25.3	255	\$443.8	\$2,050.9	\$27,195	\$74.7	\$614.6
2008	66,823	900	85.6	25.5	231	\$477.5	\$2,181.8	\$27,864	\$77.9	\$623.6
2009	67,642	918	86.6	25.7	236	\$513.2	\$2,313.2	\$28,444	\$79.5	\$637.4
2010	68,578	1,019	87.6	25.9	251	\$550.8	\$2,441.5	\$28,806	\$82.0	\$657.2
2011	69,659	1,148	89.1	26.1	270	\$588.6	\$2,580.8	\$29,148	\$84.4	\$680.5
2012	70,796	1,191	90.0	26.3	278	\$626.2	\$2,726.9	\$29,455	\$86.3	\$704.2
2013	71,958	1,204	90.8	26.6	282	\$663.7	\$2,871.7	\$29,648	\$88.4	\$723.7
2014	73,133	1,201	91.6	26.8	283	\$701.1	\$3,031.8	\$29,968	\$90.7	\$743.8
2015	74,307	1,192	92.5	27.0	283	\$739.3	\$3,199.1	\$30,294	\$92.7	\$756.9
2016	75,580	1,285	93.4	27.3	297	\$779.7	\$3,384.6	\$30,646	\$95.3	\$767.3
2017	76,891	1,317	94.4	27.5	302	\$820.8	\$3,566.0	\$30,831	\$97.8	\$778.1
2018	78,306	1,423	95.5	27.8	316	\$862.6	\$3,768.5	\$31,113	\$101.6	\$797.0
2019	79,751	1,455	96.5	28.0	319	\$904.3	\$3,971.8	\$31,338	\$105.3	\$820.3
2020	81,196	1,456	97.5	28.3	321	\$945.7	\$4,179.5	\$31,557	\$107.8	\$846.6

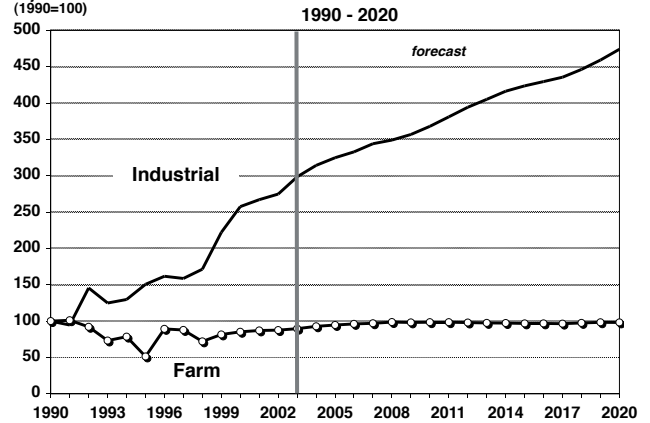
average annual
percent change

Real Industrial Production



inflation-
adjusted index
(1990=100)

Industrial and Farm Production Indices



Total Wage & Salary	Farm	Mining & Construction	Manufacturing	Transportation, Utilities	Wholesale, Retail Trade	Finance, Real Estate	Services	Government
-----employment (jobs)-----								
12,899	918	722	458	418	3,129	589	3,307	3,358
12,830	858	652	452	453	3,145	499	3,343	3,428
12,905	1,012	542	447	485	3,041	563	3,301	3,515
13,297	966	613	458	598	2,989	559	3,682	3,432
13,879	948	684	508	538	3,115	510	4,029	3,548
13,733	930	720	517	556	3,145	503	3,653	3,708
14,242	920	790	470	589	3,250	493	3,660	4,070
14,720	960	770	440	720	3,300	510	4,030	3,990
15,122	941	839	437	763	3,382	515	4,078	4,168
15,545	930	870	459	783	3,439	524	4,202	4,338
15,932	923	873	463	796	3,482	536	4,358	4,503
16,325	919	865	467	813	3,522	554	4,529	4,658
16,714	915	861	472	828	3,563	577	4,695	4,804
17,098	913	859	475	842	3,609	603	4,861	4,935
17,484	913	849	478	856	3,663	632	5,034	5,059
17,867	912	845	479	872	3,716	662	5,212	5,168
18,249	912	849	480	888	3,764	696	5,385	5,273
18,621	913	858	482	903	3,813	730	5,554	5,369
18,974	914	866	484	914	3,865	764	5,709	5,458
19,316	914	872	488	924	3,913	794	5,861	5,549
19,665	914	876	492	935	3,957	823	6,024	5,644
20,033	913	878	497	946	3,999	853	6,203	5,745
20,412	912	884	501	957	4,037	882	6,385	5,854
20,817	910	889	504	972	4,075	913	6,582	5,972
21,222	908	897	507	989	4,107	944	6,774	6,095
21,620	908	904	512	1,003	4,138	974	6,962	6,219

